

# **Exhibit 56**

to the June 16, 2023  
Declaration of Beth Wilkinson

# PlayStation Boss Says Cloud Gaming Has Too Many Technical Difficulties

Don't expect PlayStation to go all-in on cloud gaming anytime soon.

[Sony](#) CEO Kenichiro Yoshida isn't convinced that cloud gaming is ready for mass industry adoption, citing technical issues. While making it clear that [PlayStation](#) views it as an "amazing business model," ongoing latency concerns make Yoshida less eager to pursue the technology at this point in time - a very different approach than [Xbox](#) is taking.

Unlike others, who are more optimistic when it comes to cloud gaming, Yoshida says that getting it running at a level that gamers are satisfied with is "very tricky", particularly due to how demand fluctuates throughout the day. This seems to suggest that we shouldn't expect PlayStation to catch up with Xbox's cloud gaming efforts anytime soon, as it appears to be satisfied sticking with its current business model.

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"I think cloud itself is an amazing business model, but when it comes to games, the technical difficulties are high," says Yoshida, speaking with the [Financial Times](#). A bit more optimistically, he adds: "There will be challenges to cloud gaming, but we want to take on those challenges."

He also said that Sony is still looking into "various options" for cloud gaming, further suggesting that PlayStation is still far away from releasing its own service for streaming games.

Indeed, as anyone with average internet speeds will attest to, cloud gaming can prove to be unreliable at best. If you're using a wireless connection, it can often feel unusable. Still, many gamers do enjoy the service, with [Stadia fans devastated when Google pulled the plug](#) on its own foray into cloud gaming. Right now, the main alternative would be Xbox's cloud gaming offerings, available to anyone with a Game Pass subscription.

It's curious that Yoshida would make these comments on cloud gaming now, just as Sony hopes to block Microsoft's merger with Activision Blizzard. The UK's CMA, [the only regulator to block the deal so far](#), did so based on fears that Microsoft would gain a monopoly on the cloud gaming market. If Sony doesn't want the deal to go ahead, then the last thing it would want to do is give the CMA the impression that cloud gaming isn't significant right now.

Admittedly, the CMA's concerns were focused on the future of the industry, not the present, and that seems to be what Yoshida is referring to with his comments surrounding technical difficulties. It's also possible that *not* trying to compete with Xbox cloud gaming would play into Sony's hand far better, keeping Microsoft at the top of that particular market while regulators look over the merger, and how it could boost Xbox's lead even further. In any case, Yoshida didn't want to answer any questions on the merger, so we'll have to wait and see if Xbox is successful in appealing the CMA's decision.

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